

State of Alaska FY2009 Governor's Operating Budget

Department of Environmental Conservation Facility Construction Component Budget Summary

Component: Facility Construction

Contribution to Department's Mission

Assist communities in improving sanitation conditions.

Core Services

- Provide grants, loans and engineering assistance for drinking water, sewerage, and solid waste facilities.
- Provide training programs for and certification of water and sewerage system operators.
- Provide over-the-shoulder and emergency assistance to system operators in remote communities.

End Result	Strategies to Achieve End Result
<p>A: Citizens are protected from unsafe sanitation facilities.</p> <p><u>Target #1:</u> 100% serviceable rural Alaska homes are served by safe and sustainable sanitation facilities.</p> <p><u>Measure #1:</u> % of serviceable rural Alaska homes served by safe and sustainable sanitation facilities.</p>	<p>A1: Allocate funding based on health related needs.</p> <p><u>Target #1:</u> 2.5% annual reduction in rural sanitation deficiencies that are health related.</p> <p><u>Measure #1:</u> % reduction of rural sanitation deficiencies that are health related.</p> <p>A2: Increase operator certification compliance.</p> <p><u>Target #1:</u> 2% annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.</p> <p><u>Measure #1:</u> % annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.</p>

Major Activities to Advance Strategies

- Provide engineering and technical assistance to communities in planning, designing, and constructing sanitation facilities.
- Track grant payments.
- Execute loan agreements.
- Administer grants and loans.
- Track loan payments.
- Train water and wastewater facility operators and respond to emergencies.

FY2009 Resources Allocated to Achieve Results

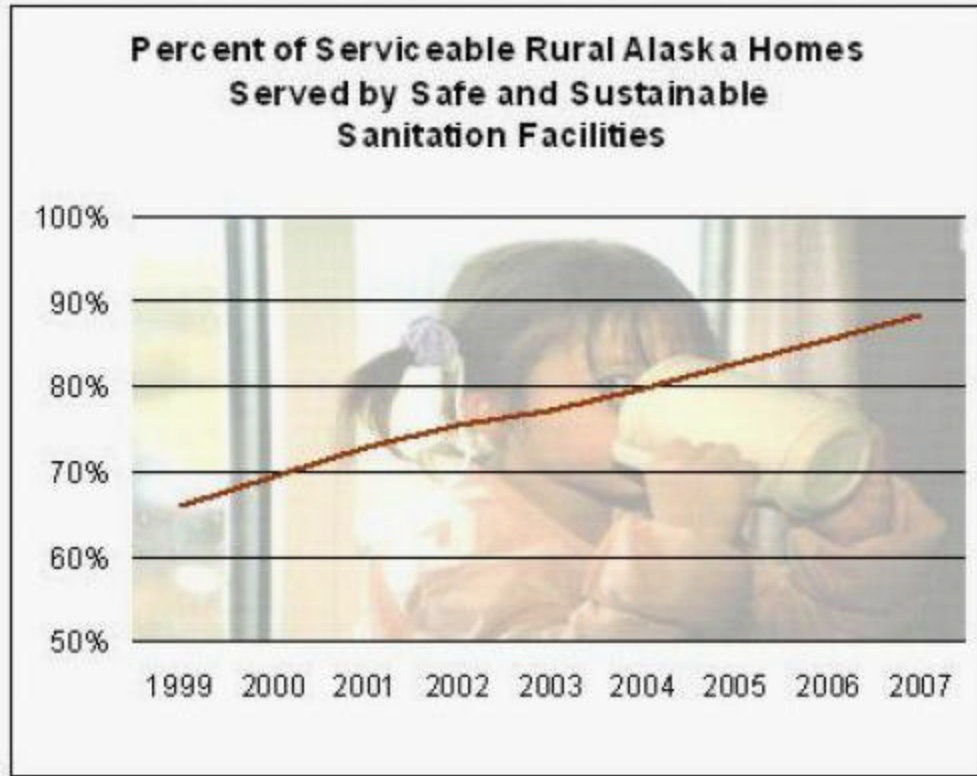
<p>FY2009 Component Budget: \$7,080,100</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">37</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">37</td> </tr> </table>	Full time	37	Part time	0	Total	37
Full time	37						
Part time	0						
Total	37						

Performance Measure Detail

A: Result - Citizens are protected from unsafe sanitation facilities.

Target #1: 100% serviceable rural Alaska homes are served by safe and sustainable sanitation facilities.

Measure #1: % of serviceable rural Alaska homes served by safe and sustainable sanitation facilities.



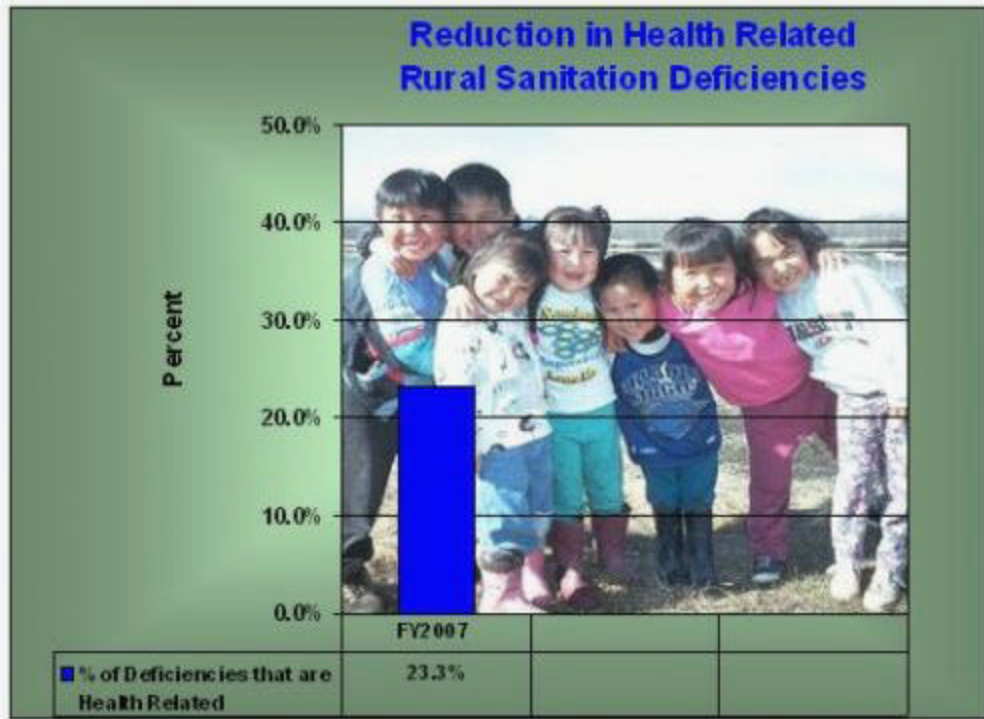
Analysis of results and challenges: Rural Alaska is characterized by over 280 isolated villages scattered across an area more than twice the size of Texas. The residents in many of these communities lack drinking water and wastewater infrastructure that is fundamental to protecting public health. The Village Safe Water program works to improve the health and safety of rural Alaskans by assisting communities to plan, design and construct safe and sustainable sanitation infrastructure.

Data to measure progress toward meeting the goal of all serviceable rural Alaska homes being served by safe and sustainable sanitation systems is collected on an annual basis. A serviceable home is defined as an existing home that is occupied year round and located in an area where piped, closed haul or individual septic tanks/wells are feasible. A sanitation system is defined as sustainable if the community managing it has the financial, technical and managerial capacity to properly operate and maintain it over a period which equals or exceeds the system's design life. For the last seven years, the percentage of rural Alaska homes served by adequate sanitation systems has increased by an average of 3% per year. Contingent upon the availability of funding being maintained at FY2006 levels, the program's goal continues to be an average increase of 3% per year.

A1: Strategy - Allocate funding based on health related needs.

Target #1: 2.5% annual reduction in rural sanitation deficiencies that are health related.

Measure #1: % reduction of rural sanitation deficiencies that are health related.



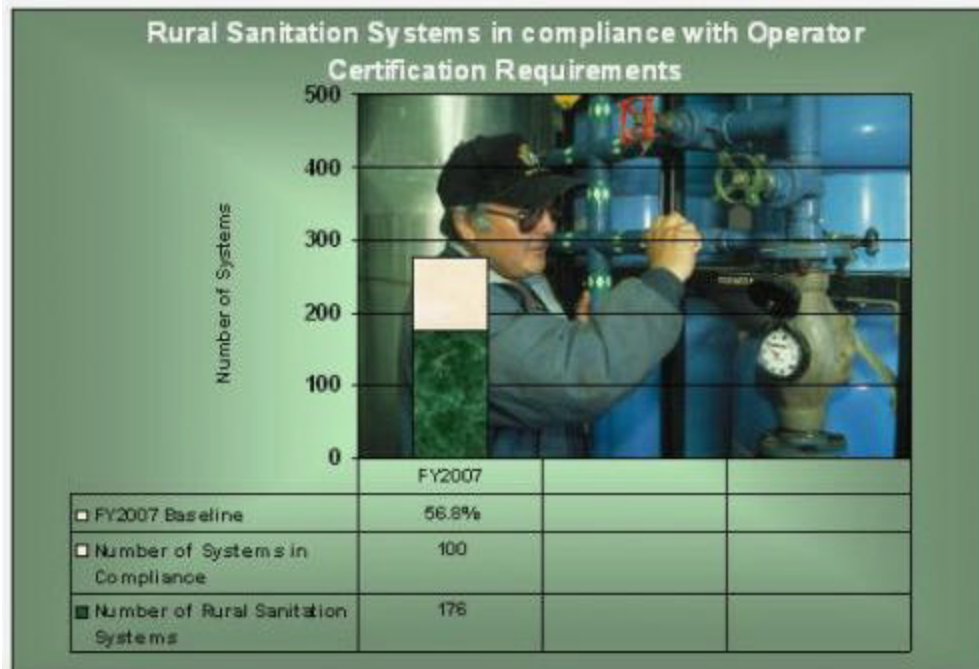
Analysis of results and challenges: The cost of addressing rural sanitation needs far exceeds available resources making it necessary to prioritize funding requests. Grants made available through the Village Safe Water (VSW) program are allocated based principally on a five tier ranking system that considers the relative beneficial impacts of proposed projects. The first two tiers are homes currently not served (Tier 1) and projects which will bring community drinking water supplies into compliance with public health standards (Tier 2). Since VSW's primary goal is to address sanitation deficiencies that are causing or are likely to cause public health problems, Tier 1 and 2 projects are VSW's top priority. Essential upgrades, beneficial upgrades and desired upgrades (Tiers 3, 4, and 5) are not considered health related and are not measured as a part of this strategy.

Progress in reducing sanitation deficiencies that could effect public health is quantified by the estimated cost of addressing such needs as compared to the cost of addressing all sanitation deficiencies. In FY07 (baseline year), 23% of rural Alaska sanitation needs were health related. Data related to deficiencies will be collected on an ongoing basis throughout the year and cost estimates for addressing these needs will be updated annually. The VSW program's target is to reduce sanitation needs that are health related by an average of 2.5% per year.

A2: Strategy - Increase operator certification compliance.

Target #1: 2% annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.

Measure #1: % annual increase in the number of rural sanitation systems which comply with water treatment operator certification requirements.



Analysis of results and challenges: Water treatment operators are responsible for safeguarding public health. Certification validates they have the qualifications necessary to meet this responsibility. The State's Operator Certification (OC) program classifies water systems based on their size and complexity and determines whether operators have experience and knowledge commensurate with their system's classification. In order to assist operators achieve certification, the OC program offers training and administers examinations.

Although the OC program oversees certification in water treatment, water distribution, wastewater treatment and wastewater collection, this measure is limited to water treatment certification as it is regarded the most directly related to public health. This measure also excludes communities with less than 25 residents or communities where residents obtain water on a house by house basis (private wells or rain catchment for example) since these communities are not subject to operator certification requirements.

Progress is increasing operator certification compliance is quantified by the number of rural sanitation systems meeting certification requirements as compared to the total number of rural sanitation systems subject to certification requirements. In FY07 (baseline year) 57% of rural sanitation systems subject to certification requirements were in compliance with such requirements. The OC program's target is to increase the number of systems in compliance by an average of 2% per year.

Key Component Challenges

In most of the United States, safe drinking water and wastewater disposal are taken for granted. In Alaska, safe and sustainable sanitation services which meet regulatory requirements often requires overcoming unique challenges including harsh climates, remote locations, permafrost soils, limited cash economies, small populations, frequent turnover of local utility staff, high energy costs, expensive freight and transportation, and rapidly increasing populations.

In order to assist in meeting these challenges, the Facility programs offer financial, technical, and training assistance to Alaska communities in developing and enhancing their water and sewer utilities.

Significant Changes in Results to be Delivered in FY2009

None.

Major Component Accomplishments in 2007

MUNICIPAL WATER, SEWERAGE AND SOLID WASTE MATCHING GRANTS PROGRAM

- Awarded a total of \$4.3 million in state and federally-funded matching grants to 4 communities for 4 water, wastewater and solid waste projects. The total local contribution was \$4.3 million.

MUNICIPAL LOANS PROGRAM

- Awarded \$30.9 million in new, low-interest loans to 9 communities for 20 water, wastewater and solid waste projects.
- Secured \$13.4 million in federal funding to add to loan account capital.
- Collected \$19.6 million in loan principal and interest for deposit into the loan funds.

VILLAGE SAFE WATER PROGRAM

- Secured \$63.4 million in federal Environmental Protection Agency and US Department of Agriculture-Rural Development grant funding for rural sanitation improvements.
- Awarded \$109.8 million in grants for 92 water, wastewater and solid waste projects.

REMOTE MAINTENANCE WORKER PROGRAM

- Due, in part, to remote maintenance worker assistance, there have been no large scale failures of rural sanitation systems since 1989.
- Provided regular over-the-shoulder operator assistance to 187 communities.

OPERATOR CERTIFICATION PROGRAM

- Administered two statewide operator certification examinations to over 254 applicants where approximately 186 examinees attained certification or upgraded their existing certifications.
- Administered 502 exams to village operators in conjunction with 25 special entry-level training courses, of which 380 achieved entry-level certifications.

Statutory and Regulatory Authority

AS 46.03.030, AS 46.03.032, AS 46.03.036, AS 46.07, AS 46.30, 18 AAC 73, 18 AAC 74, 18 AAC 76, 18 AAC 77

Contact Information

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Facility Construction Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,995.4	3,547.7	3,703.4
72000 Travel	114.1	208.9	208.9
73000 Services	406.6	1,251.7	1,251.7
74000 Commodities	50.1	93.1	93.1
75000 Capital Outlay	0.0	30.0	30.0
77000 Grants, Benefits	2,122.6	1,793.0	1,793.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,688.8	6,924.4	7,080.1
Funding Sources:			
1002 Federal Receipts	2,283.9	2,593.7	2,621.7
1003 General Fund Match	630.6	730.6	731.9
1004 General Fund Receipts	685.9	294.3	297.3
1005 General Fund/Program Receipts	57.1	57.1	57.1
1007 Inter-Agency Receipts	286.3	0.0	0.0
1061 Capital Improvement Project Receipts	1,696.4	3,185.2	3,306.4
1075 Alaska Clean Water Loan Fund	48.6	63.5	65.7
Funding Totals	5,688.8	6,924.4	7,080.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	2,283.9	2,593.7	2,621.7
Interagency Receipts	51015	286.3	0.0	0.0
General Fund Program Receipts	51060	57.1	57.1	57.1
Capital Improvement Project Receipts	51200	1,696.4	3,185.2	3,306.4
Alaska Clean Water Loan Fund	51205	0.0	63.5	65.7
Alaska Drinking Water Fund	51415	0.0	0.0	0.0
Restricted Total		4,323.7	5,899.5	6,050.9
Total Estimated Revenues		4,323.7	5,899.5	6,050.9

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	1,082.0	2,593.7	3,248.7	6,924.4
Adjustments which will continue current level of service:				
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.1	0.2	0.3
-FY 09 Bargaining Unit Contract Terms: General Government Unit	1.4	24.0	123.0	148.4
-FY 09 Bargaining Unit Contract Terms: Labor Trades and Crafts Unit	2.9	3.9	0.2	7.0
FY2009 Governor	1,086.3	2,621.7	3,372.1	7,080.1

Facility Construction Personal Services Information

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	37	37	Annual Salaries	2,496,079
Part-time	0	0	COLA	150,453
Nonpermanent	4	4	Premium Pay	0
			Annual Benefits	1,287,502
			<i>Less 5.86% Vacancy Factor</i>	(230,634)
			Lump Sum Premium Pay	0
Totals	41	41	Total Personal Services	3,703,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	1	0	0	0	1
Administrative Clerk II	0	0	1	0	1
Analyst/Programmer III	0	0	1	0	1
College Intern III	0	0	1	0	1
Division Director	1	0	0	0	1
Environ Engineer I	2	0	0	0	2
Environ Engineer II	1	0	1	0	2
Environ Program Manager II	0	0	1	0	1
Environ Program Manager III	1	0	0	0	1
Environ Program Spec II	0	0	1	0	1
Environ Program Spec III	0	0	1	0	1
Graduate Intern I	3	0	0	0	3
Grants Administrator II	2	0	1	0	3
Maint Spec Bfc Foreman	1	0	0	0	1
Maint Spec Bfc Jrny II/Lead	2	0	1	0	3
Planner III	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Project Asst	0	0	1	0	1
Secretary	1	0	0	0	1
VSW Engineer I	7	0	0	0	7
VSW Engineer II	4	0	0	0	4
VSW Engineer III	1	0	0	0	1
VSW Engineering Assoc	2	0	0	0	2
Totals	29	0	12	0	41